

Message Text

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ACTION ARA-14

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TRSE-00 OMB-01 SIL-01 LAB-04 AGRE-00 SY-05 PER-05
OES-07 FBOE-00 /127 W
-----039335 072346Z /62

R 051719Z MAY 78

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 9121

UNCLAS SECTION 1 OF 9 SANTIAGO 3364

FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

EO 11652: NA

TAGS: OGEN

SUBJ: FY 1980 GOALS/OBJECTIVES AND RESOURCE MANAGEMENT (GORM)
PROCESS

REF: STATE 63477 AND SUBSEQUENT RELATED CABLES

PART I

FORM ZBB-1: (FOR FY-1980)

1. TOTAL U.S. PERSONNEL - 47
2. TOTAL FSL - 77
3. TOTAL PERSONNEL RESOURCES AT THE FY-1980 LEVEL - 124
 - A. PACKAGE I - 112
 - B. PACKAGE II - 6
 - C. PACKAGE III - 6

FORM ZBB-2

ZERO-BASE BUDGETING

FY-1980

PERSONNEL RESOURCE WORKSHEET

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(LEFT HALF OF CHART)

(1) (2) (3) (4) (5) (6) (7)

1980

CURRENT

LEVEL PACKAGE I (90 PERCENT)

AMER AMER AMER AMER

FUNCTION OFF STAFF FSL OFF STAFF FSL

EXEC	2	2	4	2	2	3
POL/LABOR	10	4	2	7	4	1
E/C	6	1	6	5	1	6
CONS	5	1	12	5	1	6
ADMIN	15#	1	53	13	1	50
TOTAL THIS						
PACKAGE	38	9	77	32	9	72

TOTAL
CUMULATIVE 38 9 77 32 9 72

(RIGHT HALF OF CHART)

(8)	(9)	(10)	(11)	(12)	(13)
(5 PERCENT OF '80 CL)			(5 PERCENT OF '80 CL)		
PACKAGE II			PACKAGE III		
AMER	AMER		AMER	AMER	
OFF	STAFF	FSL	OFF	STAFF	FSL

EXEC	-	-	-	-	-	-
POL/LABOR	1	-	-	1	-	-
E/C	-	-	-	1	-	1
CONS	-	-	-	-	-	-
ADMIN	1	-	4	-	-	3
TOTAL THIS						
PACKAGE	2	-	4	2	-	4

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CUMULATIVE
TOTAL 34 9 76 36 9 80

INCLUDES ONE JUNIOR ROTATIONAL PROGRAM OFFICER.

FORM ZBB-3: (FOR FY-1980)

(1) DECISION UNIT: EMBASSY, SANTIAGO. (2) PACKAGE

I OF III.

(3) THE CURRENT GORM ZBB EXERCISE IS THE LATEST IN A SERIES (CASP, PARM AND MODE) IN RECENT YEARS WHICH HAVE HAD THE GOAL OF REDUCING U.S. PERSONNEL POSITIONS OVERSEAS TO MAKE THEM COMMENSURATE WITH POLICY GOALS. AS THE DEPARTMENT IS AWARE, THIS EMBASSY HAS AN ESTABLISHED RECORD OVER THE PAST TWO OR THREE YEARS OF VOLUNTARILY RECOMMENDING REDUCTIONS MISSION-WIDE. AS THE RECORD INDICATES, WE HAVE TAKEN ALL OF THE RECENT EXERCISES AND PRESIDENTIAL DIRECTIVES TO REDUCE OVERSEAS STAFFING AND TO ACHIEVE A MORE COST-CONSTRUCTIVE PROFILE SERIOUSLY. OF THE EMBASSY'S RECOMMENDED REDUCTIONS IN U.S. POSITIONS, REGRETTABLY ONLY REDUCTIONS IN THE STATE DEPARTMENT COMPLEMENT, I.E., THE POLITICAL, ECONOMIC/COMMERCIAL, AND ADMINISTRATIVE SECTIONS, HAVE BEEN DIRECTED BY

WASHINGTON. AT OUR OWN INITIATIVE WE HAVE TAKEN CUTS IN THE STATE COMPLEMENT IN THE PAST 2-1/2 YEARS ON THE ORDER OF 20 PERCENT, SPECIFICALLY INCLUDING THE PERSONNEL OFFICER, THE DISBURSING OFFICER, AN ECONOMIC/COMMERCIAL SECTION AND A POLITICAL OFFICER. OUR CURRENT STAFFING LEVEL IS LEAN. FURTHER REDUCTION WOULD MAKE IT MOST DIFFICULT TO ACHIEVE FULLY CURRENTLY DEFINED GOALS AND OBJECTIVES. WE TAKE IT FOR GRANTED

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ACTION ARA-14

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R 051719Z MAY 78

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 9122

UNCLAS SECTION 2 OF 9 SANTIAGO 3364

FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

THAT ANY NEW REDUCTIONS IN AUTHORIZED POSITION LEVELS IN THE STATE COMPLEMENT WILL GIVE APPROPRIATE CONSIDERATION TO OUR PAST CONTRIBUTIONS. IT IS NOT TOO MUCH TO SAY THAT THE ONLY WAY FOR THE DEPARTMENT TO ENCOURAGE POSTS TO RECOMMEND REDUCTIONS OF UNEEDED POSITIONS IS TO GIVE POSTS WHICH TAKE SUCH VOLUNTARY ACTION CREDIT IN SUBSEQUENT EXERCISES. OTHERWISE, IT IS GOING TO BE BUREAUCRATIC BUSINESS AS USUAL. NEVERTHELESS, IF STATE DEPARTMENT LEVELS ARE TO BE REDUCED WITH A CONCOMMITANT SACRIFICE IN GOALS ACHIEVEMENT AND ESSENTIAL SERVICES, WE WOULD IDENTIFY THE FOLLOWING POSITIONS AS HAVING THE RELATIVELY LOWEST PRIORITY FOR RETENTION:

AMERICANS

12-169 - LABOR/POLITICAL OFFICER

10-086 - POLITICAL OFFICER

10-121 - POLITICAL OFFICER

21-108 - ECONOMIC/COMMERCIAL OFFICER
50-132 - C&R SUPPORT OFFICER
56-173 - REGIONAL SECURITY OFFICER

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LOCALS

E-50-31 - LEGAL ADVISER
CHAUFFEUR - (PROGRAM)
CHAUFFEUR - (PROGRAM)
CHAUFFEUR - (FAAS)
CHAUFFEUR - (FAAS)

ON THE POLITICAL SIDE, THE LOSS OF THE LABOR/POLITICAL OFFICER WOULD CUT DEEPLY INTO OUR ABILITY TO MAINTAIN TIES AND STAY ABREAST OF DEVELOPMENTS IN A POLITICAL AREA OF CONSIDERABLE POTENTIAL. A MILITARY JUNTA HAS GOVERNED CHILE SINCE SEPTEMBER 1973. NORMAL TRADE UNION RIGHTS AND FREEDOMS HAVE BEEN SUSPENDED AND THE GOVERNMENT IS ATTEMPTING TO REMOVE ALL POLITICIANS FROM ORGANIZED LABOR AND TO INSTALL NEW LEADERS LOYAL TO THE REGIME. THESE POLICIES AND ACTIONS ON THE PART OF THE GOVERNMENT ARE OF HIGH INTEREST OF THE USG AND TO THE U.S. LABOR MOVEMENT. LABOR RIGHTS ARE ONE ASPECT OF HUMAN RIGHTS AND ARE AN ESSENTIAL ELEMENT IN THE EVENTUAL RETURN OF CHILE TO DEMOCRACY. UNDER PRESENT CIRCUMSTANCES THE LABOR/POLITICAL OFFICER PLAYS A KEY ROLE IN MAKING CLEAR TO THE GOVERNMENT OF CHILE WHERE U.S. SUPPORT LIES AND IN RE-ASSURING DEMOCRATIC LABOR SECTORS OF SUCH SUPPORT. IT IS IN PART A HAND-HOLDING OPERATION, BUT AN IMPORTANT ONE. IT IS TIME-CONSUMING, AND WERE THE LABOR/POLITICAL POSITION ELIMINATED IT WOULD HAVE TO BE HANDLED BY OTHER EMBASSY OFFICER WITH A CORRESPONDING LOSS OF DEPTH AND CONTINUITY OF ANALYSIS AND OF CONTACT.

IF, AS WE HOPE, LABOR RIGHTS ARE RESTORED AND THE POLITICAL PROCESS RETURNED TO DEMOCRACY, ORGANIZED LABOR WILL AGAIN PLAY A MAJOR ROLE. A LABOR/POLITICAL OFFICER ON THE GROUND, WITH ESTABLISHED CONTACTS, WILL CONTINUE

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TO BE IMPORTANT TO OVERALL U.S. OBJECTIVES.

THE TWO POLITICAL OFFICER POSITIONS LISTED ABOVE ARE NOT CRUCIAL TO IMMEDIATE GOAL ACHIEVEMENT, ALTHOUGH MORE POSITIONS MEAN MORE RANGE AND DEPTH OF POLITICAL ANALYSIS

FOR SEVERAL MONTHS WITHOUT LOSS OF REPORTING QUALITY.

THE ELIMINATION OF ONE OFFICER POSITION IN THE ECONOMIC/COMMERCIAL SECTION WOULD NECESSARILY REDUCE THE EMBASSY'S MINERALS REPORTING TO BARE CERP REQUIREMENTS. SOME OF THE MINERALS REPORTING, WOULD BE TRANSFERRED TO THE REGIONAL RESOURCES ATTACHE IN LA PAZ, WHO WOULD BE ENCOURAGED TO VISIT SANTIAGO ON A MORE REGULAR BASIS. AT PRESENT, GIVEN THE HIGH VOLUME OF SANTIAGO'S MINERALS REPORTING, THE REGIONAL ATTACHE'S PRESENCE HERE HAS BEEN INFREQUENT AND REDUNDANT. A REDISTRIBUTION OF REMAINING RESPONSIBILITIES AMONG THE REMAINING OFFICERS IN THE SECTION WOULD ENABLE THE ECONOMIC SECTION TO CONTINUE AT AND ADEQUATE LEVEL ITS COURSE OF ACTION IN PURSUIT OF GOALS V AND VI OF SANTIAGO'S PARM. THIS REDUCTION WOULD BECOME MORE DIFFICULT IF, AS RECOMMENDED IN PART II OF THIS GORM REVIEW, THE AGRICULTURAL ATTACHE'S POSITION WERE TO BE ELIMINATED AND THE ACTIVITIES OF HIS OFFICE ABSORBED BY THE ECONOMIC/COMMERCIAL SECTION, IN ANY EVENT, THE TWO RECOMMENDATIONS SHOULD BE CONSIDERED IN CONCERT WHEN AND IF ANY ACTION PLANS ARE DEVELOPED FOR MISSION-WIDE REDUCTIONS IN 1980. ALSO OF RELEVANCE IS THE FUTURE

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R 051719Z MAY 78
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 9123

UNCLAS SECTION 3 OF 9 SANTIAGO 3364

FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

STAFFING OF THE JUNIOR OFFICER POSITION IN THIS SECTION.
IN THE PAST, IT HAS BEEN STAFFED BY A ROTATIONAL TRAINEE

AND, CONSEQUENTLY, FROM TIME TO TIME SUBJECT TO GAPS. THE LOSS OF A POSITION WOULD REQUIRE FULL STAFFING OF THIS JUNIOR POSITION.

THE REMAINDER OF THE REDUCTIONS MUST NECESSARILY FALL ON THE ADMINISTRATIVE SIDE OF THE HOUSE AND WOULD NOT, IN THE MOST DIRECT SENSE, IMPACT ADVERSELY ON GOAL ACHIEVEMENT. THE REDUCTION OF A C&R SUPPORT OFFICER PRESUPPOSES A SHORTER WORK DAY FOR THE C&R CENTER AND AN INCREASE IN EXPENDITURES. THE RAPIDITY WITH WHICH THE C&R CENTER WOULD PROVIDE TELEGRAPHIC SERVICE WOULD BE IMPAIRED SOMEWHAT, BUT ESSENTIAL TRAFFIC WOULD CONTINUE TO MOVE AT A MINIMALLY ADEQUATE PACE. WE HAVE LISTED THE REGIONAL SECURITY OFFICER (COVERS ONLY CHILE DESPITE THE TITLE) ON THE ASSUMPTION THAT MINIMAL NECESSARY SERVICES WOULD CONTINUE TO BE PROVIDED ON A PART-TIME BASIS FROM A REGIONAL SECURITY OPERATION COVERING TWO OF MORE POSTS. THE BURDEN OF DAY-TO-DAY RESIDUAL MINUTIA WOULD FALL TO THE ADMINISTRATIVE COUNSELOR, AS UNCLASSIFIED

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HAVE SIMILAR TASKS RESULTING FROM THE LOSS OF THE PERSONNEL OFFICER POSITION SOME 18 MONTHS AGO.

THE LOSS OF ADMINISTRATIVE LOCAL EMPLOYEES, ONCE AGAIN, WOULD NOT DIRECTLY AFFECT OUR ABILITY TO PURSUE POLICY OBJECTIVES. LEGAL ADVICE AND SERVICES COULD BE PURCHASED AS NEEDED, PROBABLY AT SOME SAVING IN OVERALL COSTS, AND AMERICAN STAFF MEMBERS OF THE MISSION WOULD BE LEFT TO THEIR OWN DEVICES ON SUCH MATTERS AS HIRING AND TERMINATION OF DOMESTIC STAFF, NEGOTIATING AND EXECUTING LEASES, ETC. BY THE SAME TOKEN, A REDUCTION OF FOUR CHAUFFEURS WOULD TRANSLATE SIMPLY INTO A REDUCED LEVEL OF TRANSPORTATION SERVICE AND AN INCREASE IN OVERTIME COSTS. THE USE OF TAXIS FOR OFFICIAL BUSINESS WOULD BECOME MORE PREVALENT AND WE PROBABLY WOULD CONTRACT OUT CERTAIN TRANSPORTATION SERVICES THAT WE NOW HANDLE WITH OUR OWN VEHICLES AND PERSONNEL.

WHILE NONE OF THESE REDUCTIONS IN THE ADMINISTRATIVE AREA WOULD SERIOUSLY DAMAGE THE EMBASSY'S ABILITY TO ACHIEVE IMPORTANT GOALS AND OBJECTIVES, A WORD OF CAUTION IS NONETHELESS IN ORDER. FOR THE PAST YEAR WE HAVE BEEN MOVING STEADILY TOWARD A GREATER CONSOLIDATION OF ADMINISTRATIVE ACTIVITIES AMONG THE SEVERAL USG AGENCIES AT THIS POST. RECENTLY OUR INSPECTORS ENDORSED THIS INITIATIVE AND RECOMMENDED FULL CENTRALIZATION OF THE ADMINISTRATIVE FUNCTION. USAID HAS ALREADY BEEN WRAPPED IN THE FOLD AND USICA AND DOD ELEMENTS OF THE MISSION ARE NEXT ON OUR SCHEDULE. THE ULTIMATE OBJECTIVE IS A SINGLE

STATE ADMINISTRATIVE ORGANIZATION PROVIDING A FULL RANGE
OF ADMINISTRATIVE SERVICES (INSOFAR AS IS POSSIBLE WITH
STATUTORY LIMITATIONS) TO ALL USG AGENCIES IN CHILE.
IT IS IMPORTANT, THEREFORE, THAT ANY REDUCTIONS IN
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EMBASSY ADMINISTRATIVE STAFF BE CAREFULLY COORDINATED WITH
OUR CONSOLIDATION EFFORTS. THE DEPARTMENT SHOULD ALSO
BEAR IN MIND THAT ANY SIGNIFICANT REDUCTION IN SUPPORT
SERVICES OFTEN CARRIES WITH IT A REAL OR IMAGINED
IMPACT ON THE SENSE OF WELL-BEING OF PERSONNEL AND, HENCE,
ON THEIR MORALE. POOR MORALE OFTEN MEANS LOWER PRODUC-
TIVITY AND, IN THIS SENSE, A REDUCTION IN SERVICE COULD
INDIRECTLY AFFECT GOAL ACHIEVEMENT.

(4) RESOURCE REQUIREMENTS:

	FY78	FY79	THIS PKG	FY80
	ONLY		CUMUL	
OFFICERS	38	38	32	32
STAFF	9	9	9	9
LOCALS (FSL)	76	76	72	72
TOTALS	123	123	113	113

(5) IMPACT ON CURRENT U.S POLICY GOALS, OBJECTIVES,
AND ESSENTIAL ACTIVITIES:

ESSENTIAL ACTIVITIES WOULD BE CONTINUED, BUT A
REDUCTION OF THIS MAGNITUDE WOULD HAVE A DIRECT IMPACT
ON OUR ABILITY TO PURSUE FULLY THE COURSES OF ACTION
THAT WE BELIEVE ARE BEST DESIGNED TO ACHIEVE OUR POLICY
GOALS AND OBJECTIVES IN CHILE. THE RESULTING MANAGEMENT
STRATEGY WOULD NOT BE TO ELIMINATE COURSES OF ACTION THAT
WE HAVE ALREADY IDENTIFIED AND, HENCE, SACRIFICE SPECIFIC

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FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 9124

UNCLAS SECTION 4 OF 9 SANTIAGO 3364

FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

OBJECTIVES. RATHER, THE IMPACT WOULD BE A DILUTION OF EFFECTIVE EFFORT. WE COULD, AND INDEED WOULD, MAINTAIN ESSENTIAL ACTIVITIES INsofar AS OUR BASIC POLICY GOALS AND STATUTORY CONSULAR REQUIREMENTS ARE CONCERNED. THERE WOULD, NEVERTHELESS, BE AN IDENTIFIABLE TRADE OFF. COVERAGE OF THE POTENTIALLY IMPORTANT LABOR SECTOR WOULD SUFFER AND WE WOULD BE LESS ABLE TO PROVIDE THE KIND OF HIGH LEVEL U.S. TRADE EFFORT SUPPORT TO WHICH VISITORS TO SANTIAGO HAVE BECOME ACCUSTOMED IN THE PAST. SOME TRADE OPPORTUNITIES WOULD PROBABLY BE MISSED, THE QUALITY OF MINERALS REPORTING WOULD DECLINE, AND OUR COVERAGE OF THE POLITICAL SCENE WOULD BE LESS THAN COMPLETE. IN TERMS OF ADMINISTRATIVE SUPPORT, ELEMENTS OF THE MISSION WOULD HAVE TO BECOME MORE SELF-SUFFICIENT AND LESS DEPENDENT ON THE "SYSTEM." IN THIS SENSE, GOALS AND OBJECTIVES OF U.S. POLICY WOULD SURVIVE - THEY WOULD SIMPLY RECEIVE SOMEWHAT LESS ATTENTION INDIVIDUALLY FROM MISSION STAFF MEMBERS WHO WILL FIND THEMSELVES DEVOTING A GREATER PERCENTAGE OF THEIR TIME ADJUSTING TO AND LIVING IN A LESS THAN FULLY RESPONSIVE FOREIGN ENVIRONMENT. ONCE AGAIN, THE "BOTTOM LINE" IS NOT A FAILURE TO ACCOMPLISH UNCLASSIFIED

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OBJECTIVES - IS RATHER THE LESSENING OF AN ABILITY TO ACCOMPLISH THEM AS EFFECTIVELY.

FORM ZBB-3: (FOR FY-1980)

(1) DECISION UNIT: EMBASSY, SANTIAGO. (2) PACKAGE II OF III.
(3) AT THIS LEVEL, WE WOULD PROPOSE TO RESTORE THE LABOR/POLITICAL OFFICER POSITION THEREBY RETURNING TO FULL STRENGTH WHAT WE CONSIDER TO BE THE FRONT LINE OF OUR POLICY EFFORTS IN CHILE. ADDITIONALLY, THE RESTORATION OF THE C&R SUPPORT OFFICER POSITION WILL ENABLE US TO MEET FULLY ON A MORE TIMELY BASIS THE COMMUNICATIONS NEEDS OF THE MISSION. OVERTIME PAYMENTS WILL DECREASE ACCORDINGLY AND WEEKEND TELEGRAPHIC TRAFFIC WILL REACH AD-

DRESSEES AT OPENING OF BUSINESS MONDAY MORNING.

WE ALSO WOULD REINSTATE THE FOUR CHAUFFEUR POSITIONS, THEREBY RETURNING TO WHAT WE NOW CONSIDER A MINIMAL LEVEL OF TRANSPORTATION SERVICE. THIS IS ESPECIALLY IMPORTANT IF WE ARE TO MOVE FORWARD, AS PLANNED, WITH A CONSOLIDATED MOTOR POOL OPERATION. DIVER OVERTIME WILL BE REDUCED ACCORDINGLY AND WE WILL BE LESS DEPENDENT ON THE SERVICES OF UNRELIABLE LOCAL CONTRACTORS.

(4) RESOURCE REQUIREMENTS:

FY78 *679 THIS PKG FY80
ONLY CUMUL

U.S. OFFICERS	38	38	2	34
U.S. STAFF	9	9	-	9
FSL'S	76	76	4	76

TOTALS 123 123 6 119
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(5) IMPACT ON CURRENT U.S. POLICY GOALS, OBJECTIVES, AND ESSENTIAL ACTIVITIES:

WE WILL CONTINUE TO SUFFER A LACK OF FULL POTENTIAL ON THE ECONOMIC FRONT, MINERALS REPORTING WILL BE LESS THAN COMPLETE, AND POTENTIAL U.S. TRADE OPPORTUNITIES MIGHT BE OVERLOOKED. SECURITY SERVICE, WHILE LESS THAN FULLY RESPONSIVE TO OUR NEEDS, WOULD CONTINUE TO BE FURNISHED ON A PART-TIME BASIS FROM A REGIONAL ESTABLISHMENT. AS UNDER PACKAGE I, LEGAL ADVICE AND SERVICES WOULD BE PURCHASED AS NEEDED.

FORM ZBB-3:

(1) DECISION UNIT: EMBASSY, SANTIAGO. (2) PACKAGE III OF III.
(3) ACTIVITY DESCRIPTION: ALL ACTIVITIES CURRENTLY CONDUCTED BY THE EMBASSY WOULD BE CONTINUED IN SUPPORT OF THE AGREED NINE MAJOR POLICY GOALS, EXCEPT THAT THERE WOULD BE A SLIGHTLY DIFFERENT MIX OF AMERICAN AND LOCAL NATIONAL POSITIONS. IN THIS FINAL PACKAGE, WE WILL HAVE ELIMINATED TWO POLITICAL OFFICER POSITIONS, DISCARDED THE FSL LEGAL ADVISER POSITION AND, IN EXCHANGE ADDED THREE LOCAL NATIONAL POSITIONS. OF THE LATTER, ONE IS DESIGNED TO BOLSTER THE CONSULAR SECTION IN ANTICIPATION OF AN INCREASED WORKLOAD IN 1980 WHILE THE OTHER TWO ARE IN THE GENERAL SERVICES AREA FOR IMPROVED ADMINISTRATIVE SUPPORT TO ALL AGENCIES AS OUR CONSOLIDATION EFFORTS MOVE FORWARD.

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FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 9125

UNCLAS SECTION 5 OF 9 SANTIAGO 3364

FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

THE ECONOMIC/COMMERCIAL SECTION WOULD RETURN TO FULL
STRENGTH, THEREBY PERMITTING FULLER MINERALS REPORTING
AND A MORE RESPONSIVE TRADE PROMOTION EFFORT. AND THE
SECURITY OFFICER POSITION WOULD BE RESTABLISHED.

(4) RESOURCE REQUIREMENTS:

	THIS PKG FY80			
	FY78	1679	ONLY	CMUL
U.S. OFFICERS	38	38	2	36
U.S. STAFF	9	9	-	9
FSL'S	76	76	3	79
TOTALS	123	123	5	124

(5) IMPACT STATEMENT: THIS STAFF LEVEL WOULD BE
FULLY RESPONSIVE TO OUR ANTICIPATED STAFFING NEEDS IN
SUPPORT OF PRESENTLY IDENTIFIABLE GOALS AND OBJECTIVES.

OPERATING EXPENSE STATEMENT

IN THE PAST YEAR, CHILE HAS EXPERIENCED AN ANNUAL
RATE OF INFLATION OF APPROXIMATELY 63 PERCENT. ALTHOUGH
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THE ECONOMIC PICTURE IN CHILE IS BECOMING INCREASINGLY STABLE, IT IS NOT UNREASONABLE TO ANTICIPATE AN ANNUAL RATE OF 30 PERCENT FOR FY-1979 AND SOMETHING IN THE NEIGHBORHOOD OF 30 PERCENT FOR FY-1980. IN ONE WAY OR ANOTHER, THE COST OF LOCAL INFLATION HAS A DIRECT IMPACT ON ALL OUR OPERATING COSTS, INCLUDING LOCAL SALARIES. AMERICAN ALLOWANCES ARE ALSO AFFECTED. IN OTHER WORDS, TO STAND STILL AT OUR CURRENT LEVEL OF ACTIVITIES OUR OPERATING COSTS WILL RISE IN DIRECT RELATIONSHIP TO THE LOCAL INFLATIONARY TREND, ALBEIT PERHAPS SOMEWHAT MORE SLOWLY.

NEVERTHELESS, SOME SAVINGS COULD BE ACHIEVED, WHETHER OR NOT PERSONNEL LEVELS ARE REDUCED. SOME ECONOMIES COULD BE REALIZED IN THE SHORT TERM, BUT THE MORE SIGNIFICANT WOULD BE LONG RANGE.

WITH REGARD TO THE LATTER CATEGORY, WE NOW SPEND \$256,000 PER ANNUM IN QUARTERS ALLOWANCE AND OFFICIAL RENTAL SUPPORT COSTS FOR 36 STATE EMPLOYEES, OR AN AVERAGE OF \$7100 PER YEAR PER EMPLOYEE. RENTAL RATES HAVE RISEN APPROXIMATELY 36 PERCENT IN THE PAST TWO YEARS AND THERE IS LITTLE REASON TO EXPECT A LEVELING OFF OF THIS TREND. TO THE CONTRARY, AS THE GENERAL ECONOMIC PICTURE CONTINUES TO BRIGHTEN, LARGE AMERICAN AND FOREIGN FIRMS ARE BEGINNING TO RETURN TO CHILE AND THE REALTY MARKET IS BECOMING INCREASINGLY A LESSOR'S ONE. FOR INSTANCE, EXXON ALONE IS BRINGING IN 58 AMERICAN FAMILIES THIS CALENDAR YEAR AND THE IMPACT ON RENTALS HAS ALREADY BEEN FELT BY THE INCREASED COMPETITION FOR HOUSING. THE SOLUTION FOR US, AS IT HAS BEEN FOR MANY YEARS, IS TO GET OUT OF THE RENTAL MARKET AND BUY RESIDENTIAL PROPERTIES, CONVERTING EVENTUALLY TO A WHOLLY GOVERNMENT-OWNED HOUSING PROGRAM. THE INITIAL CAPITAL OUTLAY WILL BE LARGE

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(SOMETHING ON THE ORDER OF \$3,200,000 AND WE WOULD REQUIRE A LOCAL STAFF INCREASE OF SEVERAL GENERAL SERVICES EMPLOYEES TO SUPPORT THE PROGRAM. IT IS CLEAR, HOWEVER, THAT THE LONG RANGE BENEFITS TO THE USG WOULD BE SUBSTANTIAL AND THE POST'S OPERATING COSTS WOULD BE REDUCED SIGNIFICANTLY AS SOON AS THE PROGRAM BECAME OPERATIONAL.

SAVINGS COULD BE REALIZED IN ANOTHER AREA ALSO WITH LITTLE NEGATIVE IMPACT ON THE ACHIEVEMENT OF OUR POLICY GOALS AND OBJECTIVES. FIRSTLY, WITH THE EXCEPTION OF MOTOR VEHICLES FOR THE AMBASSADOR AND DCM AND A FEW BASIC SERVICE VEHICLES FOR GENERAL SERVICES, SECURITY AND COMMUNICATIONS SUPPORT, WE COULD ELIMINATE THE MOTOR POOL AND DEPEND INSTEAD ON READILY AVAILABLE COMMERCIAL/

TAXI SERVICE FOR OFFICIAL BUSINESS. WE NOW SPEND AN AVERAGE OF \$4500 FOR THE MAINTENANCE AND OPERATING COSTS OF EACH STATE MOTOR VEHICLE IN OUR MOTOR POOL, EXCLUDING PERSONNEL COMPENSATION FOR CHAUFFEURS. THE ELIMINATION OF SOME SEVEN OR EIGHT VEHICLES WOULD RESULT IMMEDIATELY IN A REDUCTION OF APPROXIMATELY \$33,750 IN POST OPERATING COSTS. THERE WOULD, OF COURSE, BE A TRADE-OFF THAT IS DIFFICULT TO ESTIMATE FULLY AND ACCURATELY. FOR INSTANCE:

- THE PUBLIC TRANSPORTATION SYSTEM, EXCEPT FOR A LIMITED SUBWAY LINE, IS POOR AND PARKING IN THE CENTRAL CITY WHERE THE CHANCERY AND CONSULATE ARE LOCATED IS EXPENSIVE;

- WE WOULD NOT BE ABLE TO SUPPORT OFFICIAL VISITORS TO THE EXTENT THAT WE HAVE IN THE PAST;

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ICA-20 DODE-00 L-03 PA-02 AID-05 EB-08 COME-00
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FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

TAXI REIMBURSEMENTS AND OTHER VEHICLE RENTAL EXPENSES WOULD INCREASE SUBSTANTIALY; AND
- THERE WOULD BE A NEGATIVE IMPACT ON STAFF MORALE.

ON BALANCE, HOWEVER, SAVINGS IN THE ORDER OF \$20,000 WOULD PROBABLY BE REALIZED AND, ADDITIONALLY, A NUMBER OF LOCAL CHAUFFEUR POSITIONS COULD ALSO BE ELIMINATED. ANY SUCH REDUCTION IN A MAJOR SUPPORT PROGRAM, MOREOVER, WOULD NECESSARILY HAVE TO BE MISSION-WIDE AND AFFECT ALL AGENCIES EQUALLY. WE COULD NOT LIVE WITH A

MAJOR CURTAILMENT OF SERVICE TO STATE PERSONNEL WHILE THE STAFF OF OTHER AGENCIES CONTINUED TO RECEIVE FULL OFFICIAL MOTOR VEHICLE SUPPORT.

IT IS DIFFICULT TO VISUALIZE ANY OTHER AREAS WHERE OPERATING EXPENSES COULD BE REDUCED WITHOUT AN UNACCEPTABLY NEGATIVE IMPACT ON OUR ABILITY TO MAINTAIN ESSENTIAL SERVICES. OTHER THAN FOR THE INITIATION OF A JUNIOR OFFICER AND STAFF EMPLOYEE HOUSEHOLD FURNISHINGS PROGRAM LAST YEAR (INITIAL ACQUISITION PROGRAM EXTENDS UNCLASSIFIED

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OVER A THREE YEAR PERIOD), OUR PROCUREMENT PROGRAM HAS BEEN MODEST IN TERMS OF OUR PROGRAM NEEDS. BY THE SAME TOKEN, IN-COUNTRY TRAVEL FOR THE PAST TWO YEARS HAS BEEN SOMEWHAT LOWER THAN AN IDEAL REALIZATION OF PROGRAM OBJECTIVES MIGHT WELL DICTATE. ALSO, DURING THE PAST YEAR, WE HAVE MADE A CONSCIOUS AND SUCCESSFUL EFFORT TO MAKE THE BEST POSSIBLE USE OF OFFICE SPACE BY RELOCATING VARIOUS ELEMENTS OF THE MISSION AND THEREBY REDUCING LEASEHOLDS. ALTHOUGH A CREDIT TO THE USAID OPERATING ACCOUNT, THIS EXERCISE PRODUCED AN ANNUAL SAVINGS OF \$84,000 TO THE USG.

IT IS IN THIS LATTER AREA, HOWEVER, WHERE AN EVENTUAL INCREASE OF FUNDING (AT LEAST IN TERMS OF INITIAL CAPITAL INVESTMENT) IS IMPORTANT. THE BULK OF THE MISSION IS NOW LOCATED IN SIX FLOORS OF A TEN STORY MULTIPLE OCCUPANCY OFFICE BUILDING IN THE CENTER OF DOWNTOWN D E I A G O. ADEQUATE PARKING IS NOT AVAILABLE, GOOD SECURITY IS NOT ACHIEVABLE, ACCESS FOR THE PUBLIC IS POOR AND THE FUNCTIONAL ADEQUACY OF LAYOUT IS MARGINAL. THE CONSULAR SECTION, USAID, THE COMMISSARY, THE APO AND SOME STORAGE FACILITIES ARE LOCATED SOME 11 BUSY CITY BLOCKS AWAY IN AN OLD COLONIAL BUILDING THAT AT ONE TIME WAS THE EMBASSY RESIDENCE. THIS BUILDING ALSO IS marginally functional AND LENDS ITSELF POORLY TO ADEQUATE SECURITY, THE ANSWER, OF COURSE, IS THE ACQUISITION OF PROPERTY BY PURCHASE OUTSIDE THE CENTRAL CITY AND THE CONSTRUCTION OF A CHANCERY DESIGNED TO CONTAIN ALL ELEMENTS OF THE MISSION. BASED ON A CURRENT ESTIMATE OF \$1,000,000-PLUS FOR SITE ACQUISITION AND A BALL PARK GUESS OF \$2,000,000-PLUS FOR DESIGN AND CONSTRUCTION, THIS INVESTMENT WILL REPRESENT A CAPITAL OUTLAY OF SOMETHING IN THE NEIGHBOURHOOD OF \$3,500,000. THE SAVINGS IN ANNUAL RENTALS NOW PAID UNCLASSIFIED

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(\$142,000) AND PROCEEDS DERIVED FROM THE SALE OF THE CONSULATE/USAID ANNEX AND THREE FLOORS IN THE PRESENT CHANCERY (CURRENT VALUE ESTIMATED AT \$1,300,000) WILL OFFSET, TO A MODEST DEGREE, THE COST OF SUCH A PROJECT. HOWEVER, THE BOTTOM LINE IN THIS INSTANCE IS NOT ECONOMY OF EXPENDITURES - IT IS A MORE FUNCTIONAL AND DIGNIFIED USG ESTABLISHMENT IN SANTIAGO THAT BETTER PERMITS US TO DO OUR COLLECTIVE JOBS. THE EVENTUAL PAYOFF IN COST EFFECTIVE PRODUCTIVITY, WHILE DIFFICULT TO MEASURE IN DOLLAR TERM, WILL IN OUR VIEW BE SIGNIFICANT.

PART II.

EVALUATION OF GOALS, OBJECTIVES, AND RESOURCE MANAGEMENT OF ALL AGENCIES WITH PERSONNEL SUBJECT TO AMBASSADOR'S SUPERVISION, COORDINATION AND DIRECTION.

1. INTRODUCTION. THE MISSION-WIDE GORM REVIEW BASED ON POSITION RESOURCES AS REQUIRED BY REFTEL MUST BE CONSIDERED AGAINST SIMILAR EXERCISES PREVIOUSLY UNDERTAKEN BY THIS EMBASSY (E.G., CASP IN FY'S 1976 AND 1977, PARM IN FY 1977 AND MODE IN FY'S 1977 AND 1978). AS A RESULT OF THESE PAST EXERCISES THE POSITION RESOURCE SITUATION HERE IS FLUID: SOME POSITIONS WE HAVE RECOMMENDED FOR REDUCTION HAVE BEEN UNFILLED FOR MONTHS BUT ARE STILL ON THE BOOKS; OTHER RECOMMENDED POSITION REDUCTIONS ARE PENDING (PARTICULARLY AS A RESULT OF MODE); AND OTHER POSITION REDUCTIONS HAVE BEEN ACCOMPLISHED OVER THE PAST TWO YEARS.

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FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

2. PREVIOUS REDUCTIONS. VARIOUS PERSONNEL REDUCTION EXERCISES CULMINATED IN THE FY 1978 MODE IN WHICH THIS EMBASSY RECOMMENDED A 33 PERCENT POSITION REDUCTION MISSION-WIDE TO BRING PERSONNEL LEVELS IN LINE WITH POLICY GOALS AND OBJECTIVES AND SANTIAGO'S REDUCTION FROM A CLASS II TO CLASS III MISSION. AS IN THE PAST, STATE POSITIONS WERE REDUCED WHILE OTHER ELEMENTS REMAINED STABLE. DURING 1976-77 OFFICER STRENGTH IN THE POLITICAL SECTION WAS REDUCED BY 20 PERCENT (FROM 5 TO 4); IN THE ECONOMIC/COMMERCIAL SECTION BY 16 PERCENT (FROM 6 TO 5); AND IN ADMIN (EXCLUSIVE OF C&R) BY 33 PERCENT (FROM 6 TO 4). THE ONLY EXCEPTIONS TO THE "STATE REDUCTION ONLY" RULE WERE:

- MILGP. THE MILITARY GROUP WAS REDUCED FROM 15 TO 6 POSITIONS BY ACT OF CONGRESS, NOT BY EXECUTIVE ACTION.

-AID. IN 1976 THE GOC ASKED THAT NO FURTHER REQUESTS FOR AID FOR CHILE BE MADE. IN 1977, THE GOC REQUESTED THAT ALL ONGOING AID PROGRAMS (EXCEPT TITLE II) BE SUSPENDED IMMEDIATELY. UNDER THE CIRCUMSTANCES UNCLASSIFIED

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AND AFTER SOME WRANGLING WITH AID/W IT WAS AGREED TO REDUCE AID FROM 16 TO 3 U.S. POSITIONS BY THE END OF THIS FISCAL YEAR.

3. MISSION-WIDE POSITION COMPLEMENTS AS OF 9/30/78.

AMERICANS LOCALS TOTALS

STATE	47	77	124
USICA	12	43	55
USAID	3	12	15
MILGP	6	6	12
DAO	8	3	11
MSG	10		10
PEACE CORPS	2	6	8
IAGS	4	1	5
DEA	5		5
FAS	1	3	4
NASA	1		1

TOTALS 99 151 250

THE 90 PERCENT ZBB APPROACH OUTLINED IN PARA II.4 OF

REFTEL (WHICH IS IN ESSENCE THE PACKAGE I APPROACH) REQUIRES 25 POSITION REDUCTIONS TO 225 TOTAL POSITIONS. THIS COULD BE COMPOSED OF 10 AMERICANS AND 15 LOCAL EMPLOYEES OR ANY OTHER COMBINATION THEREOF AT THE RATIO OF TWO LOCAL EMPLOYEES EQUALS ONE U.S. EMPLOYEE.

4. ANALYSIS AND REDUCTIONS. SINCE NO RIGID FORMAT IS REQUIRED I WILL COMBINE MY DISCUSSION OF THE ACTIVITIES OF ALL ELEMENTS OF THIS MISSION (PARA II.1 OF REFTEL) AND THE RANK ORDERING OF U.S. ACTIVITIES OR UNCLASSIFIED

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PORTIONS OF ACTIVITIES OF ALL AGENCIES WHICH I CONSIDER WITHIN THAT 10 PERCENT OF ALL USG ACTIVITIES THAT ARE LEAST IMPORTANT TO THE ATTAINMENT OF AGREED MISSION GOALS, OBJECTIVES AND ESSENTIAL ACTIVITIES (PARA II.4 OF REFTEL). "ACTIVITIES OR PORTIONS OF ACTIVITIES" ARE IDENTIFIED IN TERMS OF POSITIONS. THE ACTIVITIES OF THOSE ELEMENTS OF THE MISSION FOR WHICH NO (OR MINIMAL) POSITION REDUCTIONS ARE RECOMMENDED (AND THEREFORE NO ACTIVITY REDUCTION IS RECOMMENDED) ARE NOT ASSESSED IN THIS YEAR'S GORM. IN THIS CATEGORY ARE USAID AND MILGP WHICH WERE DRASTICALLY CUT IN FY 1977 AND 1978 (SEE APRA 4 ABOVE); THE MARINE SECURITY GUARD DETACHMENT, NUMBERS OF WHICH ARE DICTATED BY SECURITY REQUIREMENTS; THE PEACE CORPS WHICH CONTRIBUTES SIGNIFICANTLY WITH JUST TWO U.S. POSITIONS; AND NASA WHICH HAS ONLY ONE U.S. POSITION CURRENTLY PLANNED FOR PHASEOUT IN THE EARLY 1980'S. ASSESSMENTS OF THE REMAINING MISSION ELEMENTS AND THE REDUCTIONS RECOMMENDED FOLLOW.

STATE - THE USG HAS ELEVEN AGREED POLICY GOALS FOR CHILE LISTED IN DESCENDING ORDER OF IMPORTANCE IN STATE 34607. POLICY GOALS I, II, III, IV, V, VI, VII AND IX DEPEND FOR THEIR ACHIEVEMENT ALMOST EXCLUSIVELY ON THE EXECUTIVE, POLITICAL AND ECONOMIC SECTIONS OF THE EMBASSY'S STATE CONTINGENT. THE ADMIN AND CONSULAR SECTIONS PROVIDE VIRTUALLY ALL THE ESSENTIAL SERVICES WHILE THE LATTER HAS PRIME RESPONSIBILITY FOR POLICY GOAL X. IN SPITE OF THE CRITICAL IMPORTANCE OF THESE SECTIONS TO GOAL ACHIEVEMENT, 20 PERCENT OF THEIR POSITIONS HAVE BEEN CUT WITHIN THE LAST TWO YEARS AS NOTED ABOVE. BEFORE THE ELIMINATION OF ANY ADDITIONAL STATE POSITIONS I BELIEVE MOST STRONGLY THAT OTHER MISSION POSITIONS/ACTIVITIES MUCH LESS CONNECTED WITH THE ACHIEVEMENT OF AGREED

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TO SECSTATE WASHDC 9128

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FOR DEPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

POLICY GOALS AND SERVICES SHOULD BE ELIMINATED. THE FOLLOWING U.S. POSITIONS CARRIED AS STATE POSITIONS ARE LISTED HERE AS "LEAST ESSENTIAL" ONLY BECAUSE THEY HAVE BEEN PREVIOUSLY RECOMMENDED FOR ELIMINATION AND HAVE BEEN VACANT FOR SIX MONTHS OR MORE.

2 U.S. POSITIONS

POLITICAL OFFICER POSITION # 10-806

POLITICAL OFFICER POSITION # 10-121

1 LOCAL POSITION

LEGAL ADVISER

DEA - DEA IS PRIMARILY CONCERNED HERE WITH GATHERING INTELLIGENCE, AND TRAINING AND ASSISTING CHILEAN SERVICES IN THE SUPPRESSION OF NARCOTICS. WHEN THE PRESENT GOVERNMENT TOOK OVER, IT CRACKED DOWN HARD ON NARCOTICS VIOLATIONS WITH THE RESULT THAT THE SITUATION IS WELL UNDER CONTROL. TWO DEA U.S. OFFICER POSITIONS HAVE BEEN VACANT FOR ALMOST A YEAR, WITH NO DIMINUTION OF OUR CAPABILITY TO ACHIEVE POLICY GOAL VIII. THE
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FOLLOWING POSITIONS ARE "LEAST ESSENTIAL:"

2 U.S. POSITIONS

DEA OFFICER

DEA OFFICER

USICA - USICA PLAYS THE PRIMARY ROLE IN ACHIEVING POLICY GOAL XI AND MAKES INDIRECT CONTRIBUTIONS TO OTHER POLICY GOALS. DURING RECENT YEARS WHICH HAVE WITNESSED LOWERING OF THE U.S. PROFILE IN CHILE AND THE MISSION'S DOWNGRADING FROM A CLASS II TO CLASS III MISSION, USICA, PARTICULARLY IN TERMS OF U.S. POSITIONS, HAS STAYED THE SAME SIZE. THE RESULT IS THAT USICA IS BY FAR THE LARGEST SINGLE ELEMENT. I SUPPORT A STRONG USICA PRESENCE IN CHILE, BUT USICA, LIKE OTHER MISSION ELEMENTS, SHOULD HAVE POSITION LEVELS CONMENSURATE WITH REQUIREMENTS. THE USICA PRESENCE AFTER THE CUTS OUTLINED BELOW WOULD BE ENTIRELY CONSISTENT WITH ACHIEVEMENT OF OUR CURRENT OBJECTIVES. THE FOLLOWING USICA POSITIONS/ACTIVITIES ARE "LEAST ESSENTIAL" MISSION-WIDE AS DEFINED IN GORM.

2. U.S. POSITIONS

EXECUTIVE OFFICER POSITION - THE EXECUTIVE OFFICER SERVES ESSENTIALLY AS USICA'S ADMINISTRATIVE OFFICER, ALTHOUGH HE HAS BEEN GIVEN SOME "PROGRAM RESPONSIBILITIES." AS RECOMMENDED BY OUR INSPECTORS, THE EMBASSY IS MOVING AHEAD WITH A FULL ADMINISTRATIVE CONSOLIDATION HERE. ONLY USICA HAS SO FAR RESISTED THIS. CONSOLIDATION SHOULD BE CARRIED OUT AND THIS POSITION ELIMINATED.

SECOND ASSISTANT CULTURAL AFFAIRS OFFICER - IN PREVIOUS PARM AND MODE EXERCISES THE EMBASSY HAS RECOM-
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MENDED THE ELIMINATION OF THIS POSITION AS UNNECESSARY. RECENT USICA INSPECTOR ALSO AGREED THAT THIS POSITION SHOULD BE ELIMINATED. USICA SANTIAGO HAS ALSO "AGREED" WHILE AT THE SAME TIME FORWARDING A LONG JUSTIFICATION FOR THE POSITION.

6 LOCAL POSITIONS

ASSISTANT TO THE BPAO IN VALPARAISO

MOTION PICUTRE ASSISTANT

EXHIBIT CARPENTER

USICA SANTIAGO HAS ALREADY IDENTIFIED THESE POSITIONS AS
"LEAST ESSENTIAL" IN ITS OWN GORM.

THREE ADDITIONAL LOCAL ADMINISTRATIVE POSITIONS.
THIS SAVINGS CAN BE ACCOMPLISHED AS A RESULT OF A FULL
CONSOLIDATION OF USICA'S ADMINISTRATIVE ACTIVITIES INTO
THOSE OF THE REST OF THE MISSION.

DAO - DAO ACTIVITIES HERE ARE CONFINED TO THE NORMAL
GATHERING OF ORDER OF BATTLE INFORMATION AND CONTACT WITH
THE CHILEAN MILITARY. IN A STRICTLY WORKLOAD BASIS I BE-
LIEVE THAT THE CURRENT CONTINGENT OF FOUR OFFICERS AND
FOUR NON-COMMISSIONED OFFICERS IS EXCESSIVE. THE THREE
PRINCIPAL SERVICE ATTACHES SUPPORTED BY TWO NON-COMMISSIONED
OFFICERS WOULD ADEQUATELY MEET INTELLIGENCE REQUIREMENTS
AND MAINTAIN NECESSARY MILITARY RELATIONSHIPS. THOSE AD-
MINISTRATIVE SUPPORT ACTIVITIES PROVIDED BY TWO NON-

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FOR DPTY UNSECY FOR MANAGEMENT FROM AMBASSADOR

COMMISSIONED OFFICERS COULD EASILY BE ABSORBED BY THE
EMBASSY ADMIN SECTION WITH NO INCREASE IN STATE PERSONNEL. THE
FOLLOWING POSITIONS ARE "LEAST ESSENTIAL:"

3 U.S. POSITIONS
ASSISTANT NAVAL ATTACHE
NON-COMMISSIONED OFFICER
NON-COMMISSIONED OFFICER

1 LOCAL POSITION

DAO CHAUFFEUR - THE CONSOLIDATED MOTOR POOL
WOULD PERMIT ELIMINATION OF THIS POSITION.

FAS - THE AGRICULTURAL ATTACHE HERE CONTRIBUTES TO
THE REALIZATION OF ECONOMIC AND COMMERCIAL (GOALS V AND
VI) POLICY GOALS, THE QUESTION MUST BE POSED, HOWEVER,
AS TO WHETHER A COUNTRY (AND MARKET) OF TEN MILLION
PEOPLE AND A CLASS III MISSION MERIT A RESIDENT AGRICULTURAL
ATTACHE. IN THE CONTEXT OF A 10 PERCENT REDUCTION MISSION-
WIDE, I WOULD RECOMMEND THAT THE AGRICULTURAL ATTACHE'S

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POSITION BE ELIMINATED AND HIS WORK BE HANDLED ON A
REGIONAL BASIS FROM ANOTHER OF FAS'S SOUTH AMERICAN OFFICES.
REMAINING FUNCTIONS COULD BE ABSORBED BY EMBASSY ECONOMIC
SECTION WITH THE SUPPORT OF THE THREE FAS LOCALS.

1 U.S. POSITION

AGRICULTURAL ATTACHE.

IAGS - THE STATE DEPARTMENT'S INSPECTORS HAVE STRONG-
LY RECOMMENDED THAT INTERAMERICAN GEODETIC SURVEY OPERA-
TIONS BE REGIONALIZED. FOR MANY, IT IS HARD TO UNDERSTAND

WHY IAGS HAS NOT DONE ALL MAPPING THAT NEEDS TO BE DONE
AFTER 25 YEARS IN THE FIELD. IN FACT, THE IAGS MISSION IN
CHILE CONTRIBUTES VERY LITTLE TO THE GOALS AND OBJECTIVES
THAT GOVERN OUR ACTIVITIES IN CHILE. IN THIS SENSE, THE
IAGS GROUP IN CHILE COULD BE ELIMINATED ENTIRELY AND ACHIEVE-
MENT OF OUR CURRENT OBJECTIVES WOULD NOT SUFFER. I
WILL NOT RECOMMEND TOTAL ELIMINATION BECAUSE I DON'T HAVE
THE TECHNICAL CAPACITY TO MAKE A COMPLETE JUDGMENT. HOWEVER,
IT SEEMS TO ME THAT AT LEAST ONE IAGS U.S. POSITION SHOULD BE DESIG-

NATED AS "LEAST ESSENTIAL."

1 U.S. POSITION

IAGS AMERICAN CIVILIAN POSITION

MILGP- THIS GORM EXERCISE IS AIMED AT FY 80- 18
MONTHS HENCE. IF CURRENT LEGISLATIVE PROHIBITIONS AGAINST
MILITARY AID OR MILITARY SALES TO CHILE REMAIN IN FORCE
(AS SEEMS MOST LIKELY), THEN OUR ALREADY SMALL MILITARY
ASSISTANCE PIPELINE WILL BE CONSIDERABLY SMALLER. AT
THAT TIME ONE ADDITIONAL U.S. MILITARY POSITION SHOULD BE
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REDUCED, LEAVING ONE SENIOR OFFICER FROM EACH OF THE THREE SERVICES INTERACTING WITH THEIR CHILEAN COUNTERPARTS. THE FOLLOWING POSITION IS "LEAST ESSENTIAL:"

1 U.S. POSITION
U.S. MILITARY OFFICER

USAID - PROJECTING TO FY 80, USAID'S PIPELINE WILL ALSO BE MUCH REDUCED. UNDER THESE CIRCUMSTANCES, THE FOLLOWING POSITION WOULD BE "LEAST ESSENTIAL:"

1 LOCAL POSITON
POSITION TO BE SELECTED LATER

STATE REGIONAL SECURITY OFFICER POSITION - INSPITE OF THE TITLE

THIS POSITION HAS SERVED ONLY CHILE IN RECENT YEARS. THE CURRENT

SECURITY THREAT ASSESSMENT DOES NOT SUPPORT SUCH INDIVIDUAL ATTENTION. I WOULD PROPOSE THAT THIS POSITION, IN FACT, BE REGIONALIZED AND SERVE TWO OR MORE POSTS IN THE AREA (I UNDERSTAND THAT SUCH A

STEP IS ALREADY IN PROCESS). THUS, THIS POSITION WOULD BE LOST TO SANTIAGO AS AN INDIVIDUAL POST POSITION.

1 US POSITION
REGIONAL SECURITY OFFICER

5. RECAPITULATION. THE 13 U.S. AND 9 LOCAL POSITIONS (ACTIVITIES) DESCRIBED IN PARA 4 ABOVE CONSTITUTE THE 10 PERCENT "LEAST ESSENTIAL" POSITIONS IN SANTIAGO. IT IS AXIOMATIC THAT THE HEADS OF

LOCAL MISSION ELEMENTS HERE ARE CONVINCED THAT ANY FURTHER CUTS ARE "IMPOSSIBLE" FOR THEM. IT IS EQUALLY AXIOMATIC THAT THE WASHINGTON HQS OF THE VARIOUS MISSION ELEMENTS ALL TOO OFTEN REACT TO AMEC
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CHIEF OF MISSION PROPOSALS FOR POSITION REDUCTIONS IN "THEIR SHOPS" WITH WHAT IS PERHAPS BEST DESCRIBED AS AN IMMEDIATE DEFENSE OF THE STATUS QUO. PUBLIC LAW 93-475 AND THE LOGIC OF THE SITUATION INDICATE THAT ONLY A CHIEF OF MISSION IS IN POSITION WHEN MISSION-WIDE REDUCTIONS ARE REQUIRED TO SELECT OBJECTIVELY THOSE ACTIVITIES/ POSITIONS WHICH ARE "LEAST ESSENTIAL." WE HAVE RECENTLY BEEN INFORMED

TWICE OF PRESIDENT CARTER'S DESIRE TO CUT U.S. PRESENCE OVERSEAS.

SHOULD THE ADMINISTRATION DECIDE THAT MISSION CUTS ARE REQUIRED, I
STRONGLY URGE THE DEPARTMENT AND OMB TO CONCENTRATE ON THOSE

ACTIVITIES AND POSITIONS WHICH ARE LEAST ESSENTIAL TO THE
ACCOMPLISHMENT OF POLICY GOALS AND ESSENTIAL SERVICES AS
OUTLINED IN PART II OF THIS CABLE.

LANDAU

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Review Withdrawn Fields: n/a
SAS ID: 2776978
Secure: OPEN
Status: NATIVE
Subject: FY 1980 GOALS/OBJECTIVES AND RESOURCE MANAGEMENT (GORM) PROCESS
TAGS: OGEN
To: STATE
Type: TE
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